

**BUTTE-SILVER BOW LOCAL GOVERNMENT
STUDY COMMISSION**

**Minutes of the Meeting
September 8, 2005**

Butte-Silver Bow Courthouse, First Floor Conference Room

Meeting Date: September 8, 2005

Time: 5:30 p.m.

Place: Butte-Silver Bow Courthouse, First Floor Conference Room

Call to Order: Chairman Bob Worley brought the meeting to order at 5:37 p.m. and called roll with the following results:

Members Present: Tony Bonney, Ristene Hall, Shag Miller, Dave Palmer, Meg Sharp, Cindi Shaw, Northey Tretheway, Bob Worley

Excused Absences: Wayne Harper

Approval of Minutes: Dave Palmer entertained a motion to approve the minutes from August 25, 2005. Meg Sharp moved for a motion to approve the minutes from August 25, 2005 and Ristene Hall seconded. The motion carried unanimously.

Comments from Ron Rowling: Ron had no comments. He thanked Fritz Daly and Bill Maxson for attending the meeting. Ron stated that Bob Worley had sent him an e-mail in regard to contacting other Study Commissions from other cities within Montana. Ron stated that he would contact them and e-mail everyone a copy of the questions.

Citizen's Comments: Bill Maxson of 305 W. Granite, Butte, MT, commented that he would like to make a pitch for a city –county manager as opposed to a mayor type of government. Bill stated that he lived in Boulder, Colorado for 27 years and they had city manager. Bill stated that he has lived in Butte for over 11 years and his thought is that Boulder's government seemed to operate more smoothly than BSB. Bill stated that they were set up as a city as opposed to a county, which is quite different. Boulder, Colorado had eight to nine city council members elected at large. They forced them to take the city as a whole rather than individual districts. The one city council member that got the most votes was made the mayor. That was important because the mayor is a critical animal and is responsible for the people whereas a city manager is not. Bill Maxson feels that the city of BSB needs to reduce its county commissioners and elect them at large so that they would take into consideration the problems that come up with the whole county. Bill thought if that was done and seeing some of the problems he has seen that have transpired over the years would not have happened.

Bob Worley thanked Bill for speaking and asked if any of the Study Commission members had any questions.

Northey Tretheway asked Bill Maxson if he had any examples that he has noticed over the last nine years that have not worked well with the way BSB is structured now. Northey added if he had any specific examples that may have been overcome by having a city manager.

Bill replied by having a city manager the issue of overtime would not have been a problem. Bill continued to state that one thing he does not like is the tear down mentality of some people in the city government. He was unhappy the railroad was torn down which he felt was a real economic asset. Bill commented that he thought people did not realize it's real economic value.

Northey Tretheway asked why he thought the overtime issue would not have been an issue with city manager. Bill replied that it would not have been affected by it. It would have been the City Council or County Commissioner's that would have been the one's responsible for the overtime. Bill stated that is why he would like to see it elected at large. The city manager on the other hand would have been very responsible for that overtime and problems that were created. Bill stated that having to pay overtime to supervisors and employees, which probably should not have happened but that would have cost the city more money. They would have to pay them a lot more because of their responsibility. A city manager would have brought that out. Bill stated as far as hiring a qualified engineer or accountant would be difficult because of the years they have served. The city manager would have done that. Those are the two examples he could think of.

Bob Worley asked if he ever lived in a community under a city manager. Bill replied that he did when he lived in Boulder Colorado.

Meg Sharp asked what kind of population Boulder Colorado had. Bill replied 60-70K when he lived there. He figured there were probably 100K now.

Bob Worley asked him what the proper number of commissioners should be. Bill replied that someone commented three and he did not think it should be cut that much. He felt eight would be a good number. Bill pointed out that Boulder is a very liberal community but did have conservative members on their City Council so it was not completely a one-way street. Bob Worley asked if they were to elect eight at large, would they be full-time or part-time. Bill replied part-time.

Meg Sharp asked if they ran as party line or non-partisan.
Bill Maxon replied they were non-partisan.

Chairman Bob Worley introduced Fritz Daly to discuss Superfund issues.

Fritz Daly started by telling his philosophy and how he sees the Superfund issues in Butte. Fritz commented that he would also discuss the Natural Resource Damage Lawsuit Settlement, Term Sheet Agreement and what the Study Commission should do to make Superfund more efficient and effective for Butte.

Fritz Daly stated that he has the utmost respect for commissioners, County Attorney and other elected officials in this community. Fritz stated that in regard to the Chief Executive, he has a different philosophy and idea on Superfund and where he sees Superfund going than the Chief Executive. Fritz believes Superfund is the most important issue facing Butte. Fritz stated that what is really important to remember is that the Superfund decisions are forever decisions and they have forever consequences. Fritz stated that there needs to be diligence in making those decisions. Fritz stated that he does what he does in regard to Superfund because he cares about Butte and loves this community. Fritz feels strongly that the Superfund decisions so far have not been good ones and things need to be looked at differently. Fritz stated that sometimes folks, such as him, disagree with things. Fritz continued to explain that sometimes people, especially those in government, have a tendency to think they are the enemy when really they are not. They are friends trying to make things better.

Fritz Daly stated as he gives the presentation, he wants to give some questions and have everyone think of those questions. Why is our section of Silver Bow Creek being cleaned to a way different standard than the rest of Silver Bow Creek? Fritz stated that we should be treated the same as the rest of creek and get the exact same cleanup. Fritz stated that we should have a meandering stream running through our community where kids can fish and play. Fritz stated that it is unconscionable that they would get any less and our community is getting way less than that. The other thing that has bothered Fritz is the paratailings and why are we leaving the paratailings in place in Butte but removing them from the Milltown Dam, which are the exact same paratailings. Missoula is being treated better. The state prepared a restoration plan for the Clarkfork and Big Blackfoot Rivers and have basically done nothing for Butte, which Fritz resents. Fritz stated that they could pretty much sum up superfund in Butte by using a statement that he has heard a long time ago as once again the state get the goldmine and Butte gets the shaft.

Shag Miller asked about Milltown Dam and it being all settled. Shag asked if they were going to start next year. Fritz Daly replied soon. Shag asked how many years do they think it will take them to take it out. Fritz replied he did not know but guessed around four or five years. Shag replied, ok say it takes five years, is there anything that they can do to prepare for that. Fritz felt strongly that the state and EPA were not listening to them and consequently they have got themselves into the jackpot but he has a gut feeling that EPA is going to come back and say that they need to remove the paratailings when they issue their record of decision on Butte's priority soils. The record of decision on Butte's priority soils was supposed to be issued in 1993. Fritz stated that it is an EPA decision. Shag stated that he got to know Jim Morrison who was president of ARCO. ARCO paid 2 million dollars for the Anaconda Company in 1979. In the last three years they made profit wise 2 million dollars. Shag stated that they own the mines free and clear so when they shut down mine they were not out any money. Shag stated that Morrison felt that they should clean it up the best way they can and because they have a "double ton of money" that is all tax deductible, if it took a million dollars, they have the money. Shag asked if we received 2 million.

Fritz replied that there is a lot of different things involved to answer that question but as far as ARCO is concerned, his feeling on it is that ARCO is doing what they feel they have to do in order to get out of this community and to be done with Superfund. Fritz believes what ARCO wants ARCO gets. Fritz stated that ARCO is driving the ship and making the decisions. Fritz continued to state that EPA is just doing what they want to do. Shag Miller replied it is their money. Fritz responded that it is their money but it is still their responsibility to do a responsible cleanup. Fritz stated if they had some pressure from some of the other entities, he believes Butte would get a better cleanup.

Shag Miller asked in 15 years everything will be cleaned up. In the lifetime of our children and our community, that is one minute. Shag asked what they could do or if there is no point in putting it on the ballot as a voted project, correct? Fritz Daly replied that he would not see them putting it on the ballot as a voted project. Shag responded in other words there is nothing that they as a Study Commission have to do in regard to environmental cleanup except play out the hand and keep the heat on ARCO. Fritz replied that he felt the Study Commission could appoint a Superfund Coordinator. Fritz felt that the community needs that and would like to see that as an elected position. Fritz continued to state where they could have better access and knowledge than they have at this time.

Shag Miller stated they have that in their plans.

Fritz Daly felt it is important for everyone to understand, as a community, that there is another side of this story. He is very pro-mining and supports the active mining and the new mine. Mining was the economic life-blood of this state and he believes that it could be again. Fritz stated another important fact is to keep in mind the importance of Butte and the development of this great nation. Fritz stated if it were not for the communities like Butte, it would not be the great nation that it is today. Fritz stated that we provided the ore to electrify, to establish communication systems and most importantly we provided the ore to defend this country during times of war.

Fritz Daly stated that next item he would like to discuss is to go over Superfund as he sees it. Fritz stated he would be giving general comment that would give specifics of each Superfund site and all the information that he has handed in the handout. Butte priority soils, the actual record of decision has not been made yet even though it was supposed to be made back in 1993. Fritz stated that another thing with Butte priority soils is the only Superfund site in the whole United States where all the decisions would be made and everything is done before the record of decision comes out.

Fritz commented that the Butte portion of Silver Bow creek should be cleaned to the same standards as the rest of the creek. Fritz's thought was that the cleanup should start at headwaters not in the middle as it is done. Fritz thought that they needed to think about Yankee Doodle tailing ponds, which is also part of that cleanup right at the headwaters. Need to think of places such as the Columbia Gardens Creek along Continental Drive. Fritz thought that the paratailings should be removed. Fritz stated going back to Missoula. They are removing the tailings in Missoula, why leave the exact same tailings in Butte? It makes no sense whatsoever. Fritz explained the unlined tailing ponds that have been constructed in the

Colorado tailings area should be removed also. Fritz thought a treatment plant should be placed there that uses new innovative technologies and resource recover methods. Fritz stated that the EPA actually made that recommendation and that was part of their recommendation in Butte Priority Soils. Fritz explained when talking about paratailings, Montana Bureau of Mines recommended removal of those tailings. Fritz stated this is the first time that there has really been some opposition in this process.

Fritz Daly commented that the Berkley Pit currently contains 38 billion gallons of toxic water. The EPA's solution is to allow it to get to 54 billion gallons of toxic water. Fritz's thought on it is they should stop the water from rising, no question about it. Fritz stated that they should have built a quality treatment plant that used new and innovative technologies and resource recovery methods instead of a line precipitation plant that was used at the Berkley Pit. The line precipitation is a 100 year old method of treating water where it is not even a technology. The United States government in Butte alone has spent a hundred million dollars researching new and innovative clean up technologies and recover methods. When the final decision was made, EPA chose the type of technology that was around to clean it. Fritz again stated that it is not even a technology.

Fritz Daly then discussed the Montana Pole Area. Fritz stated they need to start over at the Montana Pole area and start with square one. People in the Boulevard area become sick around that area from the smell. People have moved from that area because of it. The clean up method used was called bioremediation and basically it was using a compost pile that was a \$37 million dollar buyout. If Butte, as a community were to really look at Montana Pole, what they would find out is that...Fritz stated that he spoke with Bill Fisher today and he lives in that area. Fritz asked him what has been done in the last few years and Bill Fisher told him nothing. Fritz stated that they had come in and moved a little dirt this summer but that is all that has been done. Fritz believes the money has been spent and Butte is left with an inferior clean up. The paratailings should have been removed from the Montana Pole area. Fritz stated that he supports the removal of Milltown Dam. However, he believes it is unconscionable to leave the tailings here in place. Fritz does not think they should move the tailings to the Opportunity Ponds. Fritz stated that the Opportunity Ponds were never designed to be a repository. It is basically a dump that was put in place by the Anaconda Company to deposit smelter waste and it is not a lined repository. Fritz mentioned that he was a board member of the Green Way Committee in Butte. This group came up with best proposal that put forward for the Natural Resources Damages Settlement. That was a restoration project on Butte's east side. Don Peoples and MSE are down there planting grass and putting in trees. Butte is not allowed to submit any of those projects at this time until they have a record of decision on Butte's priority soils. Fritz stated he knows that is what is happening.

Fritz Daly states that he thinks as far as government is concerned, the government and politics is the art of compromise. Fritz thinks there are times when they can't compromise and there are times when they should not compromise. Fritz stated as far as Superfund is concerned they have compromised and put the economic, environmental and social fate of this community in jeopardy.

Fritz Daly explained the best way to describe term sheet agreement is we don't need a term agreement for the Milltown Dam because they did it right. The only reason you really have a term sheet in place is because we have not done things right so we need to deal with problems that are going to rise because we have not done things right. Fritz believes eventually the ponds that are in place such as the Colorado Ponds area, they are going to fail. Fritz stated that he spoke to Jim Johnston and he stated that if he was in charge they would never accept those tailing ponds. Fritz thinks that the French drain proposal in the bottom of Butte Silver Bow Creek is going to fail and eventually that will have to be replaced.

Fritz Daly explained that those are his thoughts and ideas and went over them quickly but left everyone with some excerpts of letters that he has wrote. He has written hundreds of letters and has done hundreds of presentations. He has been to hundreds of meetings and wishes that he could have affected the process a little more because he truly believes that BSB has not been treated fairly in this process. Fritz believes that our children here in Butte and the children in Montana are going to be the losers in this process. Fritz closed with that and asked if anyone had any questions.

Shag stated in 2006 there is going to be a new election and Shag hoped that a Democrat would get elected in. Max Baucus will have his choice of committees. If a republican gets in, Conrad Burns is the number two ranking Republican. Shag stated whoever is in power, he/she would make sure that they got the money. If it cost a billion dollars, ARCO would make it all back in a year. Shag commented on getting an Environmental Coordinator put in and set a target date, for example ten years, reline Silver Bow Creek, took out Milltown. Hire that guy. He or she will be worth his weight in gold.

Fritz Daly states that he agrees with that and thinks that is something they can do. That is not to criticize the people in government with what they are doing. However, Fritz believes they need a person that 100% dedicated to that. Fritz stated that education is key too. He spoke of Montana Pole and talked to Bill Fisher who lives in that area. Bill Fisher has not heard anything about Montana Pole for almost three years. Montana Pole is critical to the decision making process. Fritz thinks something that happens through this process is that EPA, ARCO and the state would like everyone to believe that the Berkley Pit is out here all by itself. Silver Bow Creek is out here all by itself but they are not. They are all together. Fritz stated if we fail on one, we fail on everything. Fritz mentioned earlier about the paratailings and he hopes and prays that EPA comes back and say lets fix Silver Bow Creek responsibly. Lets move the paratailings. Lets fix the Colorado tailings area. What is happening now to influence that is there are some people out there that are speaking out that had not before.

Fritz spoke about an article, written by peer.org that was in the Montana Standard a few years ago about Butte Priority Soils. Fritz stated it is one of the best-written articles that he has read. It is written anonymously because they feared if they spoke something was liable to happen to them. They wrote in such a way that the average person could read it and understand it. Fritz stated that so many times things are written in such a technical way that people cannot understand it. Fritz commented that he cannot recall the number of times he has heard people say well I just don't understand it. Fritz stated that it is so important that people from Butte understand this. Fritz stated that this community is at risk because of the Superfund decisions. This community could fail because of Superfund.

Tony Bonney asked if he could see the possibility of the settlement with ARCO turning out to be just like a whole plane without the ability of the citizens to have an input on that. The money is spent. Lets deal with the problem. Tarps are failing. Nothing is getting done. Does he see that has a distinct possibility for the rest of the hill once the cash is gone?

Fritz replied absolutely and that is why he has a fear of the term sheet agreement. Fritz stated that he has talked to a lot of commissioners and people about it. The reality with the term sheet agreement, it is better to get something than nothing. They felt strongly that EPA was not going to make a good decision, they were going to make a bad one. Consequently if they got in and did some of their own things maybe they would at least get some money to do things. Fritz believes there is a danger that the money could run out. Fritz stated there is not one single doubt in his mind that they are going to have replace the French drain in Silver Bow Creek. Fritz stated it is really a reversed French drain and you cannot clean it from the inside out. It has to be cleaned from the outside in. They are going to have to put in a reverse French drain. When that is done and replaced then they are going to have to remove the tailings. Fritz stated that the other bad thing with a term sheet and that is it does not allow people working in local government to speak out against things that are going wrong. They cannot speak up due to the term sheet agreement.

Shag asked what a term sheet was.

Fritz replied that it is an agreement between BSB and ARCO. BSB is taking over a lot of the responsibilities for Superfund once everything is completed. Once all of the decisions are made and it is finished. BSB will take over the responsibility for example, the attic dust. BSB is going to have a large influence and presence in that attic dust. BSB is going to have a large presence in reconstruction of our sewer system that ARCO is going to put some money into. Our sewer system has basically become destroyed over the years because of the mine waste that has gone down through our sewer system. Our sewer system is need of dire repair and is going to require some major expenditures. There are some monies in the term sheet agreement that deals with that. Fritz was not sure if it was enough. Fritz commented that the other important thing that is in the term sheet agreement is the proposal that is now put

forth by ARCO is not accepted in the record of decision then basically the term sheet agreement is null and void. Fritz again hopes EPA will come back and say they are going to remove the tailings then the term sheet will become null and void.

Fritz spoke about the cleanup and how it is a disgrace to us, the EPA, the state, the local government and nobody should have to live with that kind of cleanup. Fritz said it is just wrong. Fritz stated that is just a little thing and he gets to see the big things too. Fritz stated that he has followed the Superfund issues closely, he has been involved, he has studied, researched, and is not a Johnny Come Lately in this process. Fritz stated that he is not the enemy, he is a friend and wants to see things done right because he knows what can happen. Fritz commented about Hurricane Katrina and how government reacts. Fritz stated that our government has not acted really well to us or done a good job with Superfund. Fritz stated that we as a community are going to pay for it forever. Fritz stated that he talks to doctors and health care professionals. Fritz stated that he has done hundreds of presentations and he focuses on the economy of our town. Fritz stated that he knows the economy of Butte looks pretty good now and things are better then they have been but the Department of Environmental Quality states on their web page that the Berkley Pit is the largest contaminated body of water in the United States and that sits in the middle of our town. The EPA's solution is to let it get twice as big to 54 billion gallons of toxic water. Fritz stated that George Town Lake has 10.1 billion gallons. That will six times as much water, not water but poison. Imagine how hard it will be to attract health care officials to our community. Fritz continued to state to attract people to come in here for economic development. Fritz wanted to tell a story about how things work with him. He did presentations, which helped give him insight. Fritz mentioned a presentation at the University of Montana to the Montana History class. He has given it for twelve years. Fritz stated that when he first started going down there kids started asking questions about mining, the mining dumps and the Pit. Fritz would say to himself that he does not see the mine dump as ugly, he does not see the gallis frames as ugly, he does not see the Berkley Pit as ugly or the mines as ugly. However, when he drives through Kellogg, ID he sees it as ugly. That tells you what people think about when they come through this town. Fritz stated that Butte is the greatest town in the whole world and he loves it.

Fritz again commented that if there is anything the Study Commission can do that is get a Superfund Coordinator. Fritz stated that the people living in Boulevard area have no idea what is going on down there because nobody has told them. Fritz stated if that Montana Pole or the cleanup on Butte hill was out in the Country Club it would not be done the way they are doing it. It would be done right.

Northey Tretheway stated that he agrees with what Fritz says. Northey discussed that he has heard both sides of the story. Northey commented when Fritz spoke of the cleanup that took place in Mill Town and they are getting a better cleanup then we are and he agrees with that also but at the same token is BSB a PRP and Milltown is not? How does that impact Butte's position in this whole deal?

Fritz replied, yes that BSB is a PRP on Butte Priority Soils because of the fact that the mine waste has traveled through the sewer system, which they call a conduit that contributed to the problem. Fritz stated that Butte should not be a PRP because we are not the ones who put the water in our sewer system. The water came off the hill and went into our sewer system and caused those problems. It has caused Butte problems but he believes that we need to speak up and say what needs to be done to have a proper and effective cleanup. Fritz stated that he knows too much on the Superfund issues and wishes he didn't know as much as he does. He feels bad about what has happened and wishes he could have affected this process better.

Northey asked isn't it necessary that a risk assessment be done prior to these fixes or adopted and Butte's position again in that solution given the risk assessment, what is the chance that it might fall back on Butte and what is the chance that Butte would have to go after ARCO or EPA to go after ARCO? If there are failures Butte is not ultimately responsible is it?

Fritz stated that it would depend on the language in the term sheet agreement and how it was written. There is a possibility that could happen. Fritz stated that he sees ARCO doing what he thinks they should be doing. He stated if he would ARCO he would be doing the same exact thing. Trying to do it as cheap and fast as you can and then get out of town. Fritz stated that is not how it should be. There is always that

risk. What is going to happen when the money is gone? What is going to happen when ARCO is gone? Is ARCO going to be here forever? No. Are these forever decisions? Yes.

Northey Tretheway asked if there was a risk assessment done? Fritz replied that he is sure there are risk assessments done. He stated most of the work is done by ARCO. ARCO pays for it. Northey asked does the risk assessment for BSB's position on the term sheet. They should rely on a risk assessment before terms of the term sheet are agreed upon so they know what kind of risk they are taking on. Fritz replied absolutely. Fritz stated that he did not want to leave an impression that the people who are working on the term sheet agreement are not trying to do their best. Fritz stated that he believes they are trying to do their best and cover everything they can for BSB. Fritz stated this is how he would phrase it. He believes we are dealing with the devil and he does not think the devil is ARCO. He thinks the devil is EPA and the state. Fritz continued to state that is what we are up against. Fritz stated that our local government is doing the best they can they just got trapped.

Fritz Daly stated that at the paratailings, the state, EPA and government want to drill some deep wells. They think it is mandatory. However, ARCO does not want to do it but it needs to be done. That is our risk assessment. Fritz stated that the Bureau of Mines is adamant about the paratailings. 80% of the tailings that could be excavated are accessible and could be removed.

Northey Tretheway stated that he agrees with the comment compensated for what we have in regard to the Superfund status.

Fritz Daly stated that he would rather see us not have a term sheet agreement and say they will fix attic dust problem the right way. We are going to fix Silver Bow Creek right. We are going to fix the Colorado Tailings area right. We are going to fix Montana Pole right. We don't need a term sheet for the Mill Town Dam because they did it right.

Ristene Hall asked what does the state and EPA have to gain by supporting the best cleanup for Butte? Fritz stated that John Rodell should be removed as the Director of EPA twenty years ago. Fritz stated that if John had been removed we might have some responsible cleanup in Butte. Fritz stated that he thinks a lot of that also applies to the state people. For whatever reason, he does know why they continue to do what they do but he is smart enough to know what they have done wrong. Bob and some of the others know that two years John Rodell went before the Council of Commissioners and this is in the paper and KBOW radio. It is written every place that John Rodell went before council and he did not know that the mill town tailings came from Butte.

Shag Miller asked how many tons of tailings did they figure was in Mill Town Dam?

Fritz replied he thought it was around 400k cubic yards and there is 200k cubic yards in ours.

Shag had another question that was in reference to the clean up of Mill Town Dam. His son-in-law, Bruce Anderson is the President of an environment organization and they do a lot of water rights, EPA work. Shag stated the Denny Washington has his own environmental company and he says cleaning up the dam will not do it. You're going to have to do clear back to Butte and clean out both sides. The minerals are imbedded in there. Shag continued so they could just go along with a shovel with a good road contractor and bet they could do it in a month. Fritz replied that it would take longer than that but Shag was right. That is one of the things that are written, by a man, in the peer.org article. Because of not doing things right, all of the cleanup that has been done up to now is in jeopardy because of it. That relates to what Shag was saying. If you don't fix this part, the headwaters, there is always potential for recontamination.

Fritz Daly commented that there is 2.3 billion that is going to be removed from Mill Town Dam.

Fritz Daly stated it was important for the Study Commission to know that the Natural Resource Damage Recovery Lawsuit, part of it is settled and part of it is not. The original suit was for \$765 million dollars. It is the second part of Superfund. It allows the state to go back and to sue ARCO or whomever because of the lost use of the destruction of natural resources that can never be fixed like the Butte aquifer, which can

never be fixed. It is also to compensate the residents for the loss of the use of those resources. One of the major criteria of the Natural Resource Damage Lawsuit was the fact that BSB cannot use our aquifer for drinking water purposes. We are one of the very few communities in the United States that cannot use our aquifer for drinking water purposes. The other point Fritz wanted to make in regard to the Natural Resource Damage Lawsuit there is a settlement for \$118 million dollars. That is a pot of gold that people have been after and once the Milltown Dam is settled they are really going to go after that. The people in Milltown are really going to go after that. They already got \$7.6 million just a little bit ago. A chunk out of it that should have never been gotten for reclamation because the Natural Resource Damage Lawsuit is about fixing things after you have reclaimed it. The main point Fritz wanted them to realize is that 88% of the lawsuit was about Butte, Anaconda and Silver Bow creek. Only 13% is about the Clarkfork River and Milltown Dam. Originally, Fritz and another gentlemen tried to get the judge to give them money upfront rather than the \$118 million. The Confederate, Salish and Kootenai Indians got \$18.3 million dollars in the settlement. Not one piece of their land touches the Clarkfork River of the Clarkfork Superfund site. They got \$18.3 million dollars. Do you know what Butte got? Nothing.

Tony Bonney asked as members of Study Commission they are there to review local government and the charter. Does he see it as necessary to propose an amendment to propose it to the voters to have a superfund section added to the charter?

Fritz replied yes. Fritz stated again the Superfund is the most important issue that BSB faces and he does not believe it has been ignored but we have not been treated fair. Fritz stated that having a Superfund Coordinator is essential.

Tony Bonney asked Fritz if he though by defining it and adding it to the charter that would give the local citizens in this community a partial say on if a settlement is ...if there is money in the Bank, does he think that will give them the security that they have partial say in what happens with that money? Fritz replied that would help.

Fritz stated that Butte Priority Soils is one part that is not settled and is about \$80 million. They settled on the other parts for about 21 cents on the dollar. So if they settled at the same BSB would be looking at about...not BSB it goes to the state and the governor is the trustee. He gets to decide how that money will spent. If it were settled like everything else it would be about \$18 million dollars. Fritz stated that as far as he is concerned, 88% of the money of the Natural Resource Damage Lawsuit settlement should be spent here in Butte and Anaconda.

Ristene Hall asked as far as the community if the Study Commission could recommend to the community that they appoint a Superfund Coordinator would it be to the citizen's benefit to be able to appoint more than just one person on that board.

Fritz Daly replied that there might need to be a group of people and felt Ristene was going in a right direction. Fritz stated that he does not know exactly how the Study Commission is going to accomplish it but he sees it as so important. If it comes back to nothing else go back to education and educate the community. So that people have knowledge and they can do something. Fritz stated that he believes most people in Butte see Superfund as a hopeless case. They see and know things. They know things are not being done right and care but get so frustrated. They see the failures of it and they cannot deal with it. Fritz stated there needs to be a way for the community to really have a chance to participate in Superfund.

Ristene Hall asked with the National Damage Resource money, who decides on how that is spent? Fritz Daly replied there is a group of people and BSB is involved in it. There is a committee and BSB has three people on that committee, Jerry Harrington, Paul Babb and Larry Kerns. They initially make the decisions but there are eleven people total on the committee so they are fighting the system a little bit. It then goes to the Governor's Restoration Council. That consists of the Attorney General, DNRC, Fish and Game. They give their decision to the governor but the governor has the final say.

Ristene commented that there are good people on there now but would it be to the citizen's advantage to be able to appoint those people in the future? Fritz replied that he did not know the answer to that. Fritz stated that people on it are really good people and do believe they really are trying and he does not want to see people appointed that do not have any knowledge. Fritz suggested they be careful before doing that. Fritz stated that might not want to do that because if people were voted on you could have three people with no knowledge on that committee.

Shag stated that since he has retired he has had time to think of what Butte's problems are? Shag stated first solve the Paul Babb problem. Second, solve Fritz's superfund problem. Third, solve the dog problem. Then solve the problem of the auditor and the superintendent of schools.

Tony had a question for Fritz in regard to his comment that the people appointed to any board should be knowledgeable. Tony asked if it could be structured again. Tony stated 13-14 years ago there was an issue that struck this community where a group of individuals came together and sued Dennis Washington. The group of people that sat on that board was not appointed by anyone. They were people that had just filed the lawsuit but had the ability to decide where that money was spent. Tony asked if that could be structured again to where an individual in this community could be on that board and have the ability to decide. They did a wonderful job and none of them knew anything about water treatment. They did not know the problems that faced the system but they were able to address the system and adequately spend the money to where it benefited this community. Could you see this happening with Superfund?

Fritz replied that the EPA is the one who make the final decision. The people that filed the lawsuit and is very familiar with that and provided testimony. Fritz stated if they want to look at how things were done right, that is an example of how things were done right. Fritz stated he was at the court hearing when it happened and the Chief Executive Lynch asked for his testimony. Fritz stated that one of the things he regretted most is that he was not directly involved in it. An agreement had been reached which the government had settled on. After the testimony that took place, Judge Olsen told them, Dennis Washington, BSB and the others that were involved in it, "You go back and do that right." They did go back and do it right. That is why BSB has the Silver Lake system.

Northey Tretheway asked if it was true that the Superfund shields you from lawsuits. Fritz replied that BSB needs a dog in the fight. Fritz stated that Butte has never had a dog in the fight. Fritz stated that we need to be at the Superfund table and we never have been. The sad part is that most of the decisions are made and Butte Priority Soils is left out there. There are some things that we can do with that but need to have a dog in the fight.

Northey and Fritz spoke about the \$120 million dollars, for our aquifer that was written off back in 1995. That is why BSB ought to be able to say we want some money to be able to fix the east side. We should be able to do that but for whatever reason you would be fighting the system.

Bob Worley thoughts about what has happened is the EPA has really steamrolled BSB government. Bob continued to state that we don't have a lot to say. It is either you accept what EPA wants to give you or that is what you are going to get. It is Bob's belief that is why this government has said well something is better then nothing. Fritz replied that is exactly right.

Bob Worley commented that their whole thought on this thing is they have Paul Babb and Jon Sesso. Bob spoke of how they invited Jon Sesso and Paul Babb came with him with the idea that government departments would control the money that is coming down the line. Bob stated that this is one place where the citizens need protection. Bob continued to state along with government departments, they feel that there has to be some citizen involvement of people that are outside of city government so that the people get a good shake on this money that is coming down. Fritz stated that it is 100 years which equivilates to \$100 million dollars. Bob stated that is nothing to do the cleanup. Bob stated that Jon Sesso and Paul Babb made a comment if that does not work there would be more money coming from ARCO. Then there is an insurance policy and they can write an additional insurance policy if they need to. If those things don't

work there is another backup. Bob stated that he hopes they know what they are talking about. Bob stated that they felt there should be an engineer, accountant and banker on board. Bob made the comment that government does not want to see a Superfund Director. Bob stated that they felt for the people of Butte to get a fair shake in this they have to have some say from private citizens.

Fritz replied that he agrees 100%. Fritz commented about government and the term sheet where people in government cannot talk. Anybody that thinks they can do things behind closed doors is in the wrong business and needs to get out of government.

Bob thanked Fritz for his presentation. Fritz made a comment about John Ray and his knowledge on the technical stuff about Super Fund. Fritz stated that John Ray has enough information right now that if he had \$500k dollars and had Jim Getz, he would tip this whole system right over.

Dave Palmer had one question regarding Mill Town and the repository in Opportunity. Dave asked if he perceives any problems to BSB having a repository there other than looks? Fritz replied that there is no question in his mind. It kind of goes back to paratailings. There is no question that eventually... and it is already happening where the Opportunity Ponds are going to cause some serious water problems for that area.

Fritz stated that ARCO and EPA would like everyone to think that the Opportunity Ponds and the Warm Springs Ponds are totally separate issues. They are not separate issues. They are part of a whole structure and if you fail on one, which we have done. You fail at everything. Fritz stated it is kind of like the levee. If you look at New Orleans the levee failed. They would like one to think that the levee is this total separate item but it is not. It all ties together. Fritz stated that there is nothing in record of decision about Yankee Doodle tailing ponds. That is as big of a problem as Berkley Pit. It should have been one of the major criteria's in Butte's Priority Soils.

Everyone again thanked Fritz for attending.

Chairman Bob Worley stated that they would have John Ray for next week's meeting. Bob asked Ron to contact some of the other governments. Ron stated that he is going to e-mail everything with the same questions he received from Jennifer Rozinka. Bob Worley stated that he chose the communities that are more our size and did not see any reason for us to get into Billings.

Bob Worley asked Jennifer to forward the consolidated list to everyone.

Cindi Shaw asked if they would have legal council that would be present? Bob Worley stated that he spoke with Bob McCarthy and he assured him that they would. Bob Worley spoke with Ken Weaver in regard to Dave Patterson. He told Ken that they would have legal council in BSB and that it was suggested by some previous commission people that they would need some outside council. Ken stated that it would be expensive to do that and spoke of Dave Patterson. Ken stated they would be lucky to get by for \$150.00 an hour. He asked if they were going to do this and had questions on the charter, he may be able to help narrow some things down.

Date for the next meeting: Sept 15, 2005

Adjournment: Chairman Bob Worley entertained a motion to adjourn. Northey motioned for adjournment and Ristene seconded.

Meeting adjourned at 7:30 pm